

STATE OF SOUTH CAROLINA

South Carolina Electric & Gas Company Request for
Approval of Contract for Electric Service with Sunny
Foods, Inc.

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

RECEIVED

SEP 11 2013

PSC SC
MAIL / DMSSC PUBLIC SERVICE
COMMISSION

DOCKET

NUMBER: 2013 - 339 - E

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

Address:

SCANA Corp.

Telephone:

803-217-8141

220 Operation Way MC C222

Fax:

803-217-7810

Cayce, SC 29033

Other:

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition☐ Request for item to be placed on Commission's Agenda expeditiously☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input checked="" type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input checked="" type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigator	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



2013-339-E
246112

K. Chad Burgess
Associate General Counsel

chad.burgess@scana.com

September 10, 2013

VIA HAND DELIVERY

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

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SEP 11 2013

PSC SC
MAIL / DMS

RE: South Carolina Electric & Gas Company
Request for Approval of Contract for Electric Service with Sunny Z Foods, Inc.

Dear Ms. Boyd:

Pursuant to 10 S.C. Code Ann. Regs. 103-303 (1976, as amended), South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") and respectfully requests that it approve the Contract for Electric Service ("Contract") between SCE&G and Sunny Z Foods, Inc. ("Sunny"), with such approval to be made effective as of May 1, 2013. The term of the Contract is for ten (10) years from the date of service, unless an early termination is mutually agreed upon by the parties. Additionally, the Contract is automatically extended thereafter until terminated by either party.

The Contract is related to the recent decision by Sunny, a producer of pre-packaged instant meals, to locate its new food productions operations in the former Milliken plant located at 782 Columbia Highway in Saluda County. It is SCE&G's understanding that Sunny will invest approximately \$12 million in its production facility and expects to create 150 new jobs. The new facility is expected to begin operations by the end of 2013.

Due to the commercial sensitivity and proprietary nature of certain provisions of this Contract as well as the highly competitive nature of the industry in which Sunny operates, the Company and Sunny also respectfully request that the Commission find that the Contract contains protected information and issue a protective order barring the disclosure of this agreement under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, 10 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to 10 S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Contract

(Continued . . .)

that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Contract in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted Contract, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Contract from disclosure.

Enclosed are the following:

- (1) A true and correct copy of the original Contract in a sealed envelope marked "CONFIDENTIAL." Each page of the Contract is also marked "CONFIDENTIAL."
- (2) Ten copies of a redacted copy of the Contract for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Contract for its records. Additionally, SCE&G will make the original, unredacted copy of the Contract available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



K. Chad Burgess

KCB/kms
Enclosure

cc: John W. Flitter
A. Randy Watts
Jeffrey M. Nelson, Esquire
(all via hand delivery w/enclosure)

South Carolina Electric & Gas Company

CONTRACT FOR ELECTRIC SERVICE

ORIGINAL

Effective Date: May 1, 2013 Contract No.: E1213018

This original
to be returned
to SCE&G Company

THE PARTIES HEREIN NAMED AGREE TO THE FOLLOWING

SC PUBLIC SERVICE
COMMISSION

2013 SEP 10 PM 4:26

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Customer's Legal Name: Sunny Z Foods, Inc.

D/B/A: Sunny Z Foods, Inc.

Premises Served: Pasta Facility

Service Address: 782 Columbia Highway, Saluda SC 29138-8981

Billing Address: 782 Columbia Highway, Saluda SC 29138-8981

Initial Term Ends: 10 Years from Service Date; Service Date: Defined in Section II, Special Conditions)

Minimum Notice of Termination: 12 Months.

Supply: 115 kV Service Method: Company owned 115/4.16 kV Substation

Delivery: 4160 Volts, Three (3) Phase, Four (4) Wire, Wye Connected

Point of Service: At first break in conductors on load side of Company's current transformers located in Company's substation.

Metered Voltage: 4160 Volts; Meter Location: In Company Substation

Billing Rate: 9 Contract Demand: N/A Maximum Capacity: 2,100 KVA

Build-up Period: 6 months following the date Company makes service available to Customer under this Contract SIC: 2098 NAICS: 311823

Special Provisions/Extra Facilities/Explanations: (Acct. No.) The purpose of this Contract is to establish electric service to New Customer.

This contract incorporates all general, standard, and special terms hereafter or incorporated by reference, and supersedes all previous oral or written agreements/contracts covering the same service.

SUNNY Z FOODS, INC.

By: 

Print Vonnice Rochester

Title: President

SOUTH CAROLINA ELECTRIC & GAS COMPANY

By: 

Print: William G. Watkins

Title: Manager - Large Customer Accounts and Services

CLP # E1213018

RCVD

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I. GENERAL

This Contract is being executed between South Carolina Electric & Gas Company ("Company") and Sunny Z Foods, Inc. ("Customer") for and on behalf of themselves, their successors and assigns, and supersedes all other previous oral or written contracts/agreements covering the same services.

All provisions of the Company's General Service Rate 9 are incorporated herein by reference and are a part of this Contract For Electric Service ("Contract") unless expressly deleted or modified herein.

II. SPECIAL CONDITIONS

Contract Rate

Beginning with the Service Date (as defined below) this Contract For Electric Service and extending for the first five (5) Contract Years of the ten (10) year Initial Term, Customer will be billed according to a Contract Rate consisting of: 1) a Basic Facilities Charge; 2) an Energy Charge; 3) a Demand Charge; and 4) an Economic Development Incentive Credit (EDI Credit), as follows:

- 1) Basic Facilities Charge: The Basic Facilities Charge shall be the Basic Facilities Charge included in General Service Rate 9 (Rate 9), in effect at the time of billing.
- 2) Energy Charge: The Customer's Energy Charge shall be determined by applying the Energy Charge per kWh in the Company's Rate 9, in effect at the time of billing, to the billing kWh as measured by the Company.
- 3) Demand Charge: The Customer's Demand Charge shall be Demand Charge in the Company's Rate 9, in effect at the time of billing, applied to the Billing Demand kVA as determined by the Company.

4)

REDACTED

Approval Initials

VH
[Signature]
For Customer

WGW
For Company

REDACTED

REDACTED

Regulatory Approval The Customer agrees to support the Company in its request to the Public Service Commission of South Carolina ("Commission") to protect the confidential information contained within the Contract. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by order(s) of the Commission and the Customer agrees to support the Company in its request to the Commission seeking approval of the Contract.

Confidentiality Company and Customer hereby agree to keep the terms of this Contract confidential. Neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of this Contract to a third party except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; or (iii) to its employees, lenders, counsel, accountants and other agents on a need-to-know basis for the analysis of business issues related to this Contract, provided such persons shall have agreed to keep such terms confidential. The existence of this Contract is not confidential.

Approval Initials

VR
For CustomerWGW
For Company

STANDARD CONDITIONS

Supply and Use: Company agrees to sell and Customer agrees to buy from Company all purchased electric energy, capacity, related transmission services and any related distribution services required by Customer for use on its premises covered hereunder. Resale by Customer of energy, capacity, related transmission or related distribution services is not permitted.

Creditworthiness: Company, in order to satisfy itself of the ability of the Customer to meet its obligations under the contract may conduct periodic reasonable credit reviews in accordance with standard commercial practices. Customer agrees to assist in these reviews by providing financial information and at the request of the Company, will maintain such credit support or surety including but not limited to, an unconditional and irrevocable letter of credit to provide adequate security for protection against the risk of nonpayment.

Service Application, Deposit and Release: Prior to receiving service, Customer or its Agent must: (a) Ensure that an application for service is made to Company, either in person at one of Company's commercial offices or through the Company representative coordinating the service arrangements; (b) Post a service deposit with Company (as determined by Company in accordance with S.C. Public Service Commission regulations), unless waived by Company in favor of other satisfactory assurance for payment of bills; and (c) Ensure that any inspections required by governmental authorities having jurisdiction are completed and notice thereof is given to the Company.

Commencement of New Service: Company and Customer shall make every reasonable effort to have their respective facilities ready for service by the **Service Date** stated on Page 1. If conditions should change, the affected party shall immediately notify the other.

Assignment: Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.

Term: This Contract shall commence on the **Effective Date** (the date on which this contract is fully executed) and shall continue for the full **Initial Term**, unless an early termination is mutually agreed upon. Thereafter, it will extend automatically until terminated by either party giving the other a written **Minimum Termination Notice**. Billing for service rendered hereunder shall commence on the **Service Date** (the date customer contracts for service under the tariff applicable to this contract) or the date that service is first made available, whichever is later, or in accordance with terms stated under **Special Provisions**.

Termination: Should Customer terminate this contract and disconnect service for any reason, either during the initial term or any extension thereof unless waived as provided for herein, Customer shall pay to the Company a facilities termination charge equal to (a) the total installed cost of facilities dedicated solely for serving Customer, (b) less any Customer contribution to construction, (c) less accumulated depreciation of the facilities funded by Company, (d) less salvage value of all facilities dedicated solely for serving Customer, (e) plus the cost of removal (including any associated environmental investigation/remediation costs related to a spill or release of hazardous substances caused by Customer or those paid or incurred by the Company which were not the result of negligence on the part of the Company), all as determined by Company in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. Customers who terminate prior to the expiration of the initial term or any extension thereof may also be required to pay to Company a demand termination charge equal to 90% of the maximum demand set during the term times the demand rate in effect at the time of termination times the number of months remaining in the contract period.

Approval Initials

VR
For Customer

WGW
For Company

Company may waive a portion or all of the termination charges where (1) a successor contract is executed prior to termination of this Contract, or (2) Customer is able to furnish Company with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities. If deregulation should occur during the term of this contract, the above demand termination charge, after deregulation, will be determined by appropriate governing authority(ies) rules at that time. The termination charges above shall not preclude additional termination charges approved by the SCPSC or imposed by law.

Impaired Service: Customer shall be responsible for installing and maintaining on its system such protective equipment as necessary for protecting its equipment from single phase conditions, momentary interruptions or voltage fluctuations arising from conditions on its system or from Company's supply lines. Customer shall not operate its equipment of such nature and in such manner as to impose voltage flicker, surges, or harmonics on Company's system that adversely affects the Company's system or its service to other Customers. Adverse conditions verifiable as of Customer origin shall be corrected promptly by Customer or upon Notice Company may discontinue service until the conditions are corrected. Customer agrees to keep Company equipment unencumbered and accessible at all times.

Load Increase: If Customer contemplates a load increase which may exceed the **Maximum Capacity** stated on Page 1, Customer shall give Company written notice of planned increase, with sufficient lead time for Company to enlarge its facilities. In such cases this Contract may be amended by mutual consent of the parties to reflect any changes in the service characteristics, applicable charges or conditions of service.

Facility Relocation: Should Customer request Company to relocate any of its facilities, or take any action which will require Company to relocate its facilities, Customer shall reimburse Company for the costs incurred.

Held Harmless: Company and Customer do respectively assume full responsibility for the maintenance and operation of the facilities owned and/or operated by each, and each shall indemnify and except as hereafter limited, shall hold the other harmless from any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act on the indemnitor's part in the installation, maintenance, operation, replacement and/or removal of the facilities owned and operated by each. Neither party shall be liable to the other in any event, whether in contract, tort or otherwise, for any loss of revenue, profits, use of production, costs of capital or purchased or replacement power, interest, business interruption, claims of customers or any other incidental, indirect or consequential damages of any nature whatsoever. Customer(s) acknowledge(s) the presence of overhead and/or underground power lines and understands that contact with them could cause serious injury or death.

South Carolina Public Service Commission: This Contract, the **Billing Rate** referenced on Page 1, and all services rendered hereunder, are subject to the Company's "General Terms and Conditions" as approved by the Commission, and to the "Rules and Regulations" of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. The billing Rate and General Terms and Conditions are attached and made a part hereof; Rules and Regulations are made a part by reference and are available upon request. This contract is specifically intended to survive deregulation or retail access.

Bold Print Terms: Bold Print terms reference the corresponding completed blanks on Page 1.

Approval Initials

VR
For Customer

WGW
For Company